



**TIWI ISLANDS REGIONAL COUNCIL  
ANNUAL FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2016**

# TIWI ISLANDS REGIONAL COUNCIL

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## **Independent Auditor's Report to the members of the Tiwi Islands Regional Council**

We were engaged to audit the accompanying financial report of Tiwi Islands Regional Council (the "Council"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Chief Executive Officer's certification.

### **Chief Executive Officer's responsibility for the Financial Report**

The Chief Executive Officer of the Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 2008 and the Local Government (Accounting) Regulations 2008, and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Independence**

We are independent of the Council, and have met the independence requirements of Australian professional ethical pronouncements.

### **Basis for Disclaimer of Opinion**

We were unable to obtain sufficient and appropriate documentary evidence to support the following balances in the statement of financial position as at 30 June 2016 as the Council was unable to provide information concerning these balances and disclosures in the financial report:

- Inventories of \$345,658 under Other Assets in the statement of financial position as at 30 June 2016;
- Unexpended grants of \$1,118,635 in the statement of financial position as at 30 June 2016;
- Disclosures in the financial statements on a comparison between the budgeted and actual result for the relevant financial year, including a comparison between estimated and actual income, outgoings and fixed assets for each Council function, and rates levied for the financial year;

We were also unable to perform alternative means concerning the inventory balance and unexpended grants as at 30 June 2016, and the above disclosures for the financial year.

We were unable to obtain sufficient and appropriate evidence over other income, including other operating revenue of \$1,286,122, user charges and fees of \$1,435,857, rates and annual charges of \$1,170,976, and payroll and related expenses of \$7,159,782. Accordingly, as the evidence available to us regarding such other income and payroll and related expenses was limited, our audit procedures with respect to these sources were restricted to the amounts recorded in the financial records.

As a result of these matters, we were unable to determine whether any adjustments might have found necessary in respect of inventory and unexpended grant balances, and the elements making up the statement of comprehensive income, statement of changes in equity and statement of cash flows.

### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

### **Emphasis of Matter Regarding Going Concern**

Without further modifying our opinion, we draw attention to Note 1 Economic Dependency and Going Concern in the financial report which indicates that the Council incurred an operational deficit after depreciation of \$308,149 for the year ended 30 June 2016 (2015: \$10,879,274).

At the date of this report, the Council has and is undertaking reforms in relation to its operations and governance to improve its cash requirements and financial position. The future operations of the Council depend upon the continued funding from government, the outcome and the successful implementation of the reforms, and its ability to source other funds to address its net current liabilities position and negative cash flow position. As the outcome of the reforms is not yet determinable and along with the other matters set forth in Note 1 Economic Dependency and Going Concern, there exists a material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern and therefore the Council may be unable to realise its assets and discharge its liabilities in the normal course of business.

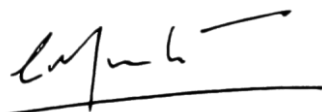
### **Report on Legal and Regulatory Requirements**

We report the following instances of non-compliance with the Local Government Act and the Local Government (Accounting) Regulations:

- The financial statements do not include information as required under
  - Part 7 Section 15(2)(a) of the Local Government (Accounting) Regulations which requires details of rates levied for the financial year;
  - Part 7 Section 15(2)(e) of the Local Government (Accounting) Regulations, which requires disclosures on fixed assets for each Council function; and
  - Part 7 Section 15(2)(d)(i) of the Local Government (Accounting) Regulations which requires disclosures on the carrying value of assets that can be reliably attributed to each function (as defined in the ABS Local Government Purpose Classification).
- The audit for the year ended 30 June 2016 was not completed and the audited financial statements were not submitted to the Northern Territory Grants Commission, on or before 15 November 2016 as required by Part 7 Section 17(1)(a) of the Local Government (Accounting) Regulations.

*Merit Partners*

Merit Partners



MunLi Chee  
Director

Darwin

27 April 2017

## CHIEF EXECUTIVE OFFICER'S CERTIFICATE

I, Marion Scrymgour, the Chief Executive Officer of the Tiwi Islands Regional Council, certify that the Annual Financial Statements:

- a) have been, to the best of my knowledge, information and belief, properly drawn up in accordance with all applicable Australian Accounting Standards, the Local Government Act and the Local Government (Accounting) Regulations (with the exception of those matters described in the modified audit report) so as to present fairly the financial position of the Council for the year ended 30 June 2016 and its results for the year then ended; and
- b) are in accordance with the accounting and other records of the Council.

Signed by:

Date: 27 April 2017



Marion Scrymgour  
Chief Executive Officer



# TIWI ISLANDS REGIONAL COUNCIL

## Statement of Comprehensive Income for the year ended 30 June 2016

	Notes	2016	2015
<b>REVENUE</b>		<b>\$</b>	<b>\$</b>
Grants and contributions provided for operating purposes	3e	8,903,934	7,165,791
Other Operating Revenue	3d	1,286,122	1,307,004
User Charges and Fees	3b	1,435,857	1,102,893
Rates and Annual Charges	3a	1,170,976	1,357,650
Interest Revenue	3c	28,565	44,727
Contributions and Donations	3f	1,000	3,836
<b>TOTAL REVENUE</b>		<b>12,826,454</b>	<b>10,981,901</b>
 <b>EXPENSES</b>			
Employee Costs	4a	7,159,782	7,938,877
Materials and Contracts	4e	3,489,236	5,387,189
Interest Charges	4b	5,620	6,074
(Profit)/Loss from Disposal of assets	4f	(23,865)	5,575,404
Other Operating Expenses	4d	632,711	531,082
<b>TOTAL EXPENSES</b>		<b>11,263,484</b>	<b>19,438,626</b>
 <b>SURPLUS/(DEFICIT) BEFORE DEPRECIATION AND CAPITAL GRANTS</b>		<b>1,562,970</b>	<b>(8,456,725)</b>
 Grants & Contributions provided for: Acquisition of assets (Capital Grants Revenue)	3e	275,638	206,239
 <b>OPERATIONAL SURPLUS/(DEFICIT) BEFORE DEPRECIATION AND ASSET CLASSIFICATION</b>		<b>1,838,608</b>	<b>(8,250,486)</b>
 Depreciation	4c	2,146,757	2,628,788
 <b>DEFICIT BEFORE INCOME TAX EXPENSE</b>		<b>(308,149)</b>	<b>(10,879,274)</b>
 Income Tax Expense		-	-
 <b>TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR</b>		<b>(308,149)</b>	<b>(10,879,274)</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# TIWI ISLANDS REGIONAL COUNCIL

## Statement of Financial Position as at 30 June 2016

	Notes	2016	2015
<b>CURRENT ASSETS</b>		<b>\$</b>	<b>\$</b>
Current Operating Accounts & Cash on Hand	5, 10a	3,101,257	1,072,550
Trade and Other Receivables	6	297,160	245,923
Other Assets	7	345,658	309,175
<b>TOTAL CURRENT ASSETS</b>		<b>3,744,075</b>	<b>1,627,648</b>
<b>NON CURRENT ASSETS</b>			
Buildings Prescribed	8a&b	17,864,878	19,171,231
Infrastructure Prescribed	8a&b	2,904,948	3,144,480
Plant	8a&b	1,252,443	1,356,608
Equipment	8a&b	183,695	179,221
Motor Vehicles	8a&b	351,073	363,268
Work in Progress	8a&b	107,920	222,202
<b>TOTAL NON CURRENT ASSETS</b>		<b>22,664,957</b>	<b>24,437,010</b>
<b>TOTAL ASSETS</b>		<b>26,409,032</b>	<b>26,064,658</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9a	1,465,655	718,994
Current Provisions	9c	899,926	1,118,616
Other Current Liabilities	9b	22,729	22,730
Unexpended Grant Liability	9b	1,118,635	954,161
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,506,945</b>	<b>2,814,501</b>
<b>NON CURRENT LIABILITIES</b>			
Non Current Provisions	9d	222,356	262,277
Non Current Borrowings	9e	666,667	666,667
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>889,023</b>	<b>928,944</b>
<b>TOTAL LIABILITIES</b>		<b>4,395,968</b>	<b>3,743,445</b>
<b>NET ASSETS</b>		<b>22,013,064</b>	<b>22,321,213</b>
<b>EQUITY</b>			
Total Equity		22,013,064	22,321,213
<b>TOTAL EQUITY</b>		<b>22,013,064</b>	<b>22,321,213</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## TIWI ISLANDS REGIONAL COUNCIL

### Statement of Changes in Equity for the year ended 30 June 2016

	Note	Retained Earnings	Asset Revaluation Reserve \$	Other Reserves \$	Total Equity \$
<b>Restated Balance at 1 July 2014</b>		1,234,697	31,965,790	-	33,200,487
Deficit for the year		(10,879,274)	-	-	(10,879,274)
Transfers between equity		(35,000)	-	35,000	-
<b>Balance at 30 June 2015</b>		(9,679,577)	31,965,790	35,000	22,321,213
Deficit for the year		(308,149)	-		(308,149)
Transfers between equity	16	(126,571)	-	126,571	-
<b>Balance at 30 June 2016</b>		<b>(10,114,297)</b>	<b>31,965,790</b>	<b>161,571</b>	<b>22,013,064</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



# TIWI ISLANDS REGIONAL COUNCIL

## Statement of Cash Flows for the year ended 30 June 2016

	Notes	2016	2015
<b>Cash Flows from Operating Activities</b>		<b>\$</b>	<b>\$</b>
<i>Receipts</i>			
Receipts from rates & annual charges		1,190,195	1,319,371
Receipts from user charges & fees		1,435,857	1,102,893
Interest received		28,565	44,727
Grants & contributions		9,180,572	7,375,866
Other operating receipts		1,215,666	1,722,427
		13,050,855	11,565,284
<i>Payments</i>			
Payments to employees		7,418,395	7,916,687
Payments for materials & contracts		2,560,418	5,264,529
Payments of interest		5,621	6,075
Other operating payments		686,876	(43,117)
		10,671,310	13,144,174
<b>Net Cash Flows generated from/(used in) Operating Activities</b>	<b>10b</b>	2,379,545	(1,578,890)
 <b>Cash Flows from Investing Activities</b>			
<i>Receipts</i>			
Proceeds from sale of assets		116,571	261,846
		116,571	261,846
<i>Payments</i>			
Purchase of assets		467,409	261,121
		467,409	261,121
<b>Net Cash Flows (used in)/generated from Investing Activities</b>		(350,838)	725
 <b>Cash Flows from Financing Activities</b>			
<i>Payments</i>			
Repayment of Borrowings		-	-
		-	-
<b>Net Cash Flows used in Investing Activities</b>		-	-
 <b>NET INCREASE/(DECREASE) IN CASH HELD</b>		2,028,707	(1,578,165)
<b>Cash at Beginning of Reporting Period</b>		1,072,550	2,650,715
<b>Cash at End of Reporting Period</b>	<b>10a</b>	3,101,257	1,072,550

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### 1. Summary of Accounting Policies

##### General Information

This note sets out the principal accounting policies adopted in the preparation of the financial statements by Tiwi Islands Regional Council.

The Local Government Reporting Entity Tiwi Islands Regional Council is established under the Northern Territory Local Government Act and has its principal place of business at Puti Drive, Wurrumiyanga Community, Bathurst Island.

The purpose of this financial report is to provide information about the cash flows, financial performance and position of the Regional, and accountability of the resources entrusted to it.

##### Economic Dependency and Going Concern

The financial report has been prepared on the going concern basis, which assumes that the Council will be able to realise its assets and discharge its liabilities in the normal course of business.

The Council has an operational surplus before depreciation of \$1,838,608 for the year ended 30 June 2016 (2015: operational deficit before depreciation of \$8,250,486). After depreciation, the Council recorded a deficit for the year of \$308,149 (2015: Deficit of \$10,879,274).

On 17 February 2015, the Minister for Local Government and Community Services placed the Tiwi Islands Regional Council under official management and appointed Mr Allan Raymond McGill to manage the affairs of the Council and to investigate and report on the conduct of the suspended members and the affairs and financial position of the Council. Following consideration of Mr McGill's report, the Minister reinstated the suspended members of the Tiwi Islands Regional Council on 14 September 2015.

The ability of the Council to continue as a going concern is dependent on its ability to implement the following:

- Appropriately cost contracts and agreements taking indirect costs into consideration;
- Establish robust budgets and manage financial performance in line with those budgets;
- Enhance internal financial processes to enable effective debt recovery;
- Ensure that corporate cost structures are financially efficient and funded from current year operations; and
- Investigate other opportunities for self-generated income.

The Council is dependent on Government funding for the majority of its revenue used to operate the business. The future operations of the Council depend upon the continued funding from the government, the outcome and the successful implementation of the above reforms. As the outcome of the reforms is not yet determinable and due to the other matters set forth above, there exists material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern and therefore the Council may be unable to realise its assets and discharge its liabilities in the normal course of business.

At the date of this report, the Council members have no reason to believe the Government will not continue to support the Council and, acknowledging the uncertainly disclosed above, are of the opinion that the Council will be able to continue as a going concern for the ensuing 12 months from the date of this report.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### 1. Summary of Accounting Policies (Cont.)

##### **Basis of Accounting**

###### *Statement of Compliance*

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the requirements of the *Local Government Act*, the *Local Government (Accounting) Regulations* and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The Council is a not-for-profit entity for financial reporting purposes.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS') as applicable to not-for-profit entities.

###### *Adoption of new and revised accounting standards*

In the current year the Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period.

###### *Future Australian Accounting Standard Requirements*

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ended 30 June 2016. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

##### **Significant Accounting Policies**

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other events is reported. Material accounting policies adopted in the preparation of financial statements are presented below and have been consistently applied unless otherwise stated.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

###### *Basis of Preparation*

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts are presented in Australian dollars, unless otherwise noted.

###### *Critical Accounting Judgements and Key Sources of Estimation Uncertainty*

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

###### *Revenue Recognition*

Revenue is measured at the fair value of consideration received or receivable.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### 1. Summary of Accounting Policies (Cont.)

Revenue is measured on major income categories as follows:

##### (i) Rates

Rates are enforceable debt linked to rateable property that will be recovered when the property is sold, and therefore control normally passes at the time of levying, or where earlier upon receipt of rates paid in advance. The rating period and reporting period for the Council coincide and accordingly, all rates levied for the year are recognised as revenues.

Uncollected rates are recognised as receivables. A provision is recognised when collection in full is no longer probable.

##### (ii) Grants, donations and other contributions

Grants, donations and other contributions are recognised in the statement of comprehensive income when the entity obtains control over or the right to receive the grant, donation or other contribution, it is probable that the economic benefits gained from the grant, donation or other contributions will flow to the entity and the amount can be measured reliably. Control over granted and contributed assets is normally obtained upon their receipt (or acquittal), and is valued at their fair value at the date of transfer.

Where grants, contributions and donations recognised as revenue during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in these notes.

##### (iii) Disposal of property, plant and equipment

The gain or loss on disposal of an asset is determined when control of the asset has passed from the Council and can be measured reliably.

##### (iv) Interest revenue

Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to the Council and it can be measured reliably.

##### (v) Commercial and contract revenue

The Council undertakes activities of a commercial, or quasi commercial nature such as maintenance contracts, building construction, and operation of cash businesses. Commercial income is recognised as it accrues, when it is probable that the future economic benefits will flow to the Council and it can be measured reliably.

##### *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### 1. Summary of Accounting Policies (Cont.)

##### *Financial Assets*

##### (i) Loans and Receivables

The Council recognises financial assets as loans and other receivables. The classification depends on the purpose for which the financial instrument was acquired and is determined at initial recognition and re-evaluated at reporting date. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised as expenses in profit or loss immediately. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method less impairment.

##### (ii) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments.

##### (iii) Impairment of financial assets

Financial assets are evaluated at each balance sheet date to determine any evidence of impairment. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

##### (iv) De-recognition of financial assets

The Council derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset the Council recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Council retains substantially all the risks and rewards of ownership of a transferred financial asset, the Council continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

##### *Inventory*

Inventory is stated at the lower of cost and net realisable value.

##### *Leased Assets*

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

##### As lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to the qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### 1. Summary of Accounting Policies (Cont.)

Operating lease payments are recognised as expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

##### *Plant and Equipment*

Acquisition of Plant and Equipment is recognised at cost when control of the asset passes to the Council. Cost includes expenditure that is directly attributable to the acquisition. Cost related to plant, equipment and infrastructure gifted, donated or granted to the Council is the fair value of the asset, plus costs directly attributable to the acquisition.

##### *Land*

The *Aboriginal Land Rights Act* establishes native title over land in the Tiwi Islands. In the absence of clear title no land assets are recognised in the Council's Statement of Financial Position.

##### *Land under Roads*

Council has elected not to value or recognise as an asset land under roads acquired prior to 1 July 2008 in accordance with the election available under AASB 1051 Land under Roads.

##### *Property*

In 2006 the *Land Rights Act* was amended to enable township leasing. Leasing arrangements currently exist for Wurrumiyanga, Milikapiti and Wurankuwu. It is envisaged Pirlangimpi community will adopt township leasing in due course. It is proposed that in future periods the Council will lease its major operating buildings from the Office of Township Leasing. Buildings and infrastructure assets are recognised in the financial statements as prescribed assets. This is due to the status Tiwi Islands Regional Council has under 'Right of Occupation' from section 6.2 of the Head Lease agreement and the fact that under general property law it is the Executive Director of Township leasing who has the leasehold ownership interest in the land.

Building and Infrastructure assets were recognised in the 2010 financial statements as prescribed assets at their 30 June 2010 re-valued amount. Revised valuations were provided in the fixed asset register where net values are recognised at 30 June 2010. Building and Infrastructure assets commenced depreciating, at their re-valued amounts, on 1 July 2010. The Council does not believe that there is any significant increment or decrement to the valuation carried out in 2010. Hence the property has been valued at 2010 valuation amounts and depreciated accordingly. Revaluations are performed with sufficient regularity such that carrying amounts do not differ materially from those that would be determined using fair value at the end of each reporting period.

Revaluation increments arising from recognising assets at valuation are offset against one another within the class of assets. Net revaluation increments in the carrying amounts of these assets are recognised directly in accumulated equity under the heading of prescribed asset reserve to the extent that the increment reverses a decrement that was previously recognised as an expense in the net profit or loss in respect of the same class of assets. No amounts were recognised in the accounts arising from previous revaluations so all increments are recognised in revaluation reserve.

##### *Depreciation*

All property, plant and equipment, with the exception of land, is systematically depreciated over its useful life in a manner which reflects the consumption of the service potential embodied in those assets from the time that the item of property plant and equipment is available for use.

Depreciation is provided for on a straight line method using useful lives which are reviewed each reporting period.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### 1. Summary of Accounting Policies (Cont.)

The estimated useful lives used for each class of depreciable assets are:

Buildings/ Other Structures	10 - 25 Years
Plant and Equipment	1 - 25 Years
Motor Vehicles	3 - 5 Years

#### *Valuation*

The Council recognises assets over the value of \$5,000.

#### *Impairment of Assets*

At the end of each reporting period, the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

#### *Financial Liabilities*

##### (i) Payables

These amounts represent liabilities for goods and services provided to Council prior to the end of the financial year which remain unpaid. The amounts are unsecured and usually paid within thirty days of recognition.

##### (ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

##### (iii) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

#### Employee benefits expected to be settled within 12 months:

Provisions in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

#### Employee benefits not expected to be settled within 12 months:

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash flows to be made by the entity in respect of services provided by the employees up to reporting date.

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### 1. Summary of Accounting Policies (Cont.)

##### (iv) Superannuation

The Council contributes for its employees to a defined contribution superannuation plan (Local Government Superannuation Scheme).

##### (v) Unexpended Grant Funds

Grant funding has been treated in the accounts according to the provisions of AASB 1004 Contributions. Where funds are provided on the condition that the Council is to make a reciprocal transfer of economic benefits, and that transfer has not occurred prior to the reporting date, a liability is recognised as at the reporting date in respect of such amounts.

#### *Budget Information*

Note 2(a) provides budget information of revenues and expenditure of each of the major activities of the Council.

#### *Taxation*

The Council is tax exempt under Sec 50-25 of the *Income Tax Assessment Act 1997*, being a local governing body.

#### *Provisions*

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that the Council will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

#### *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;

or

ii) for receivables and payables which are recognised inclusive of GST, the net amount recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, is classified as operating cash flows.

#### *Rounding*

Unless otherwise stated, amounts in the financial reports have been rounded to the nearest dollar and are presented in full dollars. All amounts are expressed in Australian dollars.

#### *Comparatives*

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### 2a. Functions

As required by Section 15 (d) of the *Local Government (Accounting) Regulations*, the income derived from each function, the expenditure that can be reliably attributed to each function and the comparison between the budgeted and actual result for the financial year for each Council function are as follows:



TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

2a. Functions (Cont.)

2a Functions	01 General Public Services		02 Public Order & Safety		03 Economic Affairs		04 Environmental Protection		05 Housing	
	2016 Budget	2016 Actual	2016 Budget	2016 Actual	2016 Budget	2016 Actual	2016 Budget	2016 Actual	2016 Budget	2016 Actual
<b>OPERATING REVENUES</b>										
Income Rates General	821,094	754,537	-	-	-	-	-	-	-	-
Income Rates Waste	-	-	-	-	-	-	460,000	416,378	-	-
Income Council Fees and Charges	211,000	236,425	-	409	932,078	912,922	1,404	75,381	350,437	204,248
Income Operating Grants Subsidies	2,455,830	1,857,423	1,301,126	1,174,495	1,951,594	2,870,066	224,478	-	510,000	474,055
Income Investments	25,000	28,565	-	-	-	-	-	-	-	-
Income Contributions Donations	-	-	-	-	-	-	-	-	-	-
Income Reimbursements	2,066	97,479	-	2,529	-	-	-	-	-	-
Income Agency & Commercial Serv	1,708,451	754,443	-	91	190,673	163,681	-	-	339,328	233,677
Income Capital Grants	-	-	-	139,232	-	166,600	-	(30,194)	110,000	-
Inc Sale of Assets	150,000	114,753	-	1,818	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>5,373,441</b>	<b>3,843,625</b>	<b>1,301,126</b>	<b>1,318,574</b>	<b>3,074,345</b>	<b>4,113,269</b>	<b>685,882</b>	<b>461,565</b>	<b>1,309,765</b>	<b>911,980</b>
<b>OPERATING EXPENSES</b>										
Employee Expenses	4,425,986	4,123,026	824,340	612,486	603,458	692,090	-	-	902,951	587,962
Contract and Material Expenses	2,021,101	1,358,693	20,669	16,584	156,079	201,545	27,000	455	422,033	78,158
Utility expenses	163,078	114,259	21,700	27,022	34,792	51,309	-	-	78,140	78,476
Fuel Expenses	515,469	374,435	-	-	-	-	-	-	70,000	39,744
Communication Expenses	357,028	341,449	4,650	89	28,895	25,134	700	1,608	38,773	33,855
Finance Expenses	5,094	5,621	-	-	-	-	-	-	-	-
Depreciation	2,787,292	2,146,757	-	-	-	-	-	-	-	-
Asset Expense	3,000	92,705	-	-	-	-	-	-	-	-
Training	90,310	6,796	-	650	15,000	11,098	-	-	1,500	3,225
Travel and Accommodation	161,804	98,868	19,060	1,038	8,023	13,122	1,277	1,277	300	3,434
Councillor/ Local Authority exp	284,900	260,776	-	-	-	-	-	-	-	-
Miscellaneous Expenses	496,854	598,720	5,110	2,555	64,420	30,644	(1,220)	1,496	31,000	3,307
<b>TOTAL EXPENSES</b>	<b>11,311,916</b>	<b>9,522,105</b>	<b>895,529</b>	<b>660,424</b>	<b>910,667</b>	<b>1,024,942</b>	<b>27,757</b>	<b>4,836</b>	<b>1,544,697</b>	<b>828,161</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>(5,938,475)</b>	<b>(5,678,480)</b>	<b>405,597</b>	<b>658,150</b>	<b>2,163,678</b>	<b>3,088,327</b>	<b>658,125</b>	<b>456,729</b>	<b>(234,932)</b>	<b>83,819</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

2a Functions (Cont.)	06 Health		07 Recreation, Culture and Religion		08 Education		09 Social Protection		Total	
	2016 Budget	2016 Actual	2016 Budget	2016 Actual	2016 Budget	2016 Actual	2016 Budget	2016 Actual	2016 Budget	2016 Actual
<b>OPERATING REVENUES</b>										
Income Rates General	-	-	-	-	-	-	-	-	821,094	754,537
Income Rates Waste	-	-	-	-	-	-	-	-	460,000	416,378
Income Council Fees and Charges	-	-	518	5,770	-	-	-	762	1,495,437	1,435,917
Income Operating Grants Subsidies	-	82,036	604,972	513,330	318,411	341,091	1,750,209	1,591,438	9,116,620	8,903,934
Income Investments	-	-	-	-	-	-	-	-	25,000	28,565
Income Contributions Donations	-	-	-	1,000	-	-	-	-	-	1,000
Income Reimbursements	-	-	-	-	-	11,826	-	-	2,066	111,834
Income Agency & Commercial Serv	-	-	6,000	1,128	28,000	17,244	-	4,024	2,272,452	1,174,288
Income Capital Grants	-	-	100,000	-	-	-	-	-	210,000	275,638
Inc Sale of Assets	-	-	-	-	-	-	-	-	150,000	116,571
<b>TOTAL REVENUES</b>	-	<b>82,036</b>	<b>711,490</b>	<b>521,228</b>	<b>346,411</b>	<b>370,161</b>	<b>1,750,209</b>	<b>1,596,224</b>	<b>14,552,669</b>	<b>13,218,662</b>
<b>OPERATING EXPENSES</b>										
Employee Expenses	-	-	475,376	342,302	199,916	186,265	951,616	615,651	8,383,643	7,159,782
Contract and Material Expenses	-	1,590	143,249	61,728	38,408	30,245	157,061	79,855	2,985,600	1,828,853
Utility expenses	-	-	30,653	87,857	8,000	2,944	29,106	45,483	365,469	407,350
Fuel Expenses	-	-	-	-	-	-	500	-	585,969	414,179
Communication Expenses	-	50	2,168	8,662	2,000	1,389	12,293	3,786	446,507	416,022
Finance Expenses	-	-	-	-	-	-	-	-	5,094	5,621
Depreciation	-	-	-	-	-	-	-	-	2,787,292	2,146,757
Asset Expense	-	-	-	-	-	-	-	-	3,000	92,705
Training	-	-	-	970	-	96	6,300	2,623	113,110	25,458
Travel and accommodation	-	-	1,773	2,899	2,820	4,527	21,413	5,886	216,470	131,051
Councillor/ Local Authority exp	-	-	-	-	-	-	-	-	284,900	260,776
Miscellaneous Expenses	-	-	10,662	588	220	52	7,353	895	614,399	638,257
<b>TOTAL EXPENSES</b>	-	<b>1,640</b>	<b>663,881</b>	<b>505,006</b>	<b>251,364</b>	<b>225,518</b>	<b>1,185,642</b>	<b>754,179</b>	<b>16,791,453</b>	<b>13,526,811</b>
<b>NET SURPLUS / (DEFICIT)</b>	-	<b>80,396</b>	<b>47,609</b>	<b>16,222</b>	<b>95,047</b>	<b>144,643</b>	<b>564,567</b>	<b>842,045</b>	<b>(2,238,784)</b>	<b>(308,149)</b>

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### 2b. Component Functions

The activities relating to the Regional functions are as follows:

##### **GENERAL PUBLIC SERVICES**

###### **Executive and Legislative Functions**

Administration, operation and support of executive and legislative functions and all elements associated with Corporate governance.

###### **Financial and Fiscal Affairs**

Administration of Council's finances and compliance with legislative provisions of Local Government (Accounting) Regulations.

###### **General Public Services - including General Administration, Corporate Services/Community Services/ Works & Infrastructure, Other and Office Personnel Maintenance**

Administration, support, regulation, research, operation of general public services including insurance and Natural Disaster relief where applicable.

##### **PUBLIC ORDER & SAFETY**

Fire protection, local emergency services, control of animals and impounding, control of public places, control of signs, hoarding and advertising, community policing and probationary matters.

##### **ECONOMIC AFFAIRS**

General economic, agriculture and forestry, fuel and energy, other labour and employment affairs, transport and other industries, saleyards and tourism.

##### **ENVIRONMENTAL PROTECTION**

Waste management, pollution reduction, protection of biodiversity and landscape and protection and remediation of soil, groundwater and surface water.

##### **HOUSING AND COMMUNITY AMENITIES**

Housing, housing and community development, water supply and street lighting.

##### **HEALTH**

Well baby clinics, dental health services and home nursing services, nursing and convalescent home services, immunisation, infant nutrition and child health, and family planning services.

##### **RECREATION, CULTURE AND RELIGION**

Facilities and venues, recreation parks and reserves, cultural and religious services museums and libraries.

##### **EDUCATION**

Administration, inspection, support, operation, etc of education programs and services.

##### **SOCIAL PROTECTION**

Outlays on day care services, family day care, occasional care and outside schools hour care, aged services, shelter protection, drug and alcohol treatment programs. Also includes relief from man-made disasters.

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

	2016	2015
	\$	\$
<b>3. Operating Revenue</b>		
<b>a RATES AND CHARGES</b>		
<u>Ordinary Rates</u>		
General Rates	754,598	894,806
<b>Total Ordinary Rates</b>	<b>754,598</b>	<b>894,806</b>
<u>Annual Charges</u>		
Domestic Waste Charges	416,378	462,844
<b>Total Annual Charges</b>	<b>416,378</b>	<b>462,844</b>
<b>Total Rates &amp; Annual Charges</b>	<b>1,170,976</b>	<b>1,357,650</b>
<b>b USER CHARGES &amp; FEES</b>		
User Charge Fee Income	750,992	722,375
Property Lease Rental Fee Income	331,711	286,962
Equipment Hire Income	337,094	75,743
Other Charges & Fees	16,060	17,813
<b>Total User Charges &amp; Fees</b>	<b>1,435,857</b>	<b>1,102,893</b>
<b>c INTEREST</b>		
Interest on Investments	28,565	44,727
<b>Total Interest Revenue</b>	<b>28,565</b>	<b>44,727</b>
<b>d OTHER OPERATING REVENUE</b>		
Reimbursements	107,327	61,397
Service Fee Income	3,528	5,921
Sales Income	705,976	610,027
Contract Fees	384,419	484,534
Other Operating Revenue	84,872	145,125
<b>Total Other Operating Revenues</b>	<b>1,286,122</b>	<b>1,307,004</b>
<b>e GRANTS</b>		
<b><u>Commonwealth Special Purpose Funding</u></b>		
Jirnani Day Care Centre	775,868	308,055
Child Services Pirlangimpi	277,552	108,752
Pirlangimpi School Meals Program	104,911	-
Creche Milikapiti	200,000	210,242
After School Care Wurrumiyanga	391,390	182,894
After School Care Pirlangimpi	217,718	93,575
After School Care Milikapiti	191,785	89,885
Night Patrol Regional	1,053,626	1,053,626
ISRP - Indigenous Sport & Recreation Program Regional	345,000	154,652
ISRP - Jobs Creation Package Regional	-	190,077
NT Jobs Packages (Broadcasting) Regional	89,849	87,707
Roads (R2R)	963,570	-
NAIDOC Activities	12,790	-
Remote Aviation Programmes	53,905	-
<b>Total Commonwealth Special Purpose Funding</b>	<b>4,677,964</b>	<b>2,479,465</b>

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>3. Operating Revenue (Cont.)</b>		
<b><u>Operational Funding</u></b>		
NT FAA Operating Grant	1,263,612	1,255,472
FAA Roads	942,281	980,502
General Purpose	413,470	418,263
<b>Total Operational Funding</b>	<b>2,619,363</b>	<b>2,654,237</b>
<b><u>NT Special Purpose Funding</u></b>		
Youth Diversion Scheme	225,000	220,000
Active Remote Communities Sport & Recreation Regional Library	107,000	91,155
Outstations Essential Services	63,165	63,165
Outstations Converted Jobs Program	337,661	348,940
Matching Funds Salary Income	60,728	60,729
Outstations Housing Maintenance	531,000	522,274
NTDRP – Milikapiti Rec Hall Community Shelter	149,577	137,120
Homelands Extra Allowance	-	2,010
Family as First Teachers DET	67,600	-
Road Reseal Project Wurrumiyanga - Consultancy (Phase 1)	263,636	89,578
Imparja Cup	27,126	-
Foreshore Drain Wurrumiyanga	-	5,479
Australia Day	200,000	-
Family Nutrition Project- Wurrumiyanga	1,091	1,000
Bush Camps	25,000	-
BNT Women’s Basketball	-	5,000
Local Authorities Wurrumiyanga	-	5,478
Local Authorities Pirlangimpi	219,206	219,206
Local Authorities Milikapiti	55,334	55,334
Strengthening Local Authorities	69,004	69,004
MESSPG – Paru Water Line & Takapimilyi Causeway	-	184,858
NDRRA – Paru Road	-	83,337
NDRRA – 17 Mile Bend	-	68,098
Seniors Month	-	107,097
Talent Quest & Karaoke Night Pirlangimpi	-	1,500
Imparja Substance Abuse Video	-	1,000
Keep Australia Beautiful – Recycling	-	9,091
Refurbish Aerodrome Ablution Blocks	-	8,636
MESSPG – Paru Pontoon	82,036	-
MESSPG – Paru Water Tank	31,393	-
MESSPG – Telecommunications Repeaters	43,636	-
MESSPG – Tank Stand Takaprimili	45,000	-
	32,506	-
<b>Total NT Special Purpose Funding</b>	<b>2,636,699</b>	<b>2,359,089</b>
<b>Current Operating Funding Total</b>	<b>9,934,026</b>	<b>7,492,791</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

	2016	2015
	\$	\$
<b>3. Operating Revenue (Cont.)</b>		
<b><u>Prior Year Grants Brought Forward Operating</u></b>		
Outstations Converted Jobs Program	59,269	-
CTG - Wurrumiyanga Pool	7,546	-
Night Patrol trainingRegional	67,000	-
<b>Total Prior Year Operating Grants</b>	<b>133,815</b>	<b>-</b>
<b><u>Operating Grant Liability</u></b>		
Creche Milikapiti	(8,851)	(1,123)
Child Services Pirlangimpi	(29,119)	-
After School Care Wurrumiyanga	(157,032)	-
After School Care Pirlangimpi	(94,125)	-
After School Care Milikapiti	(101,738)	(10,842)
Pirlangimpi School Meals Program	(27,457)	-
ISRP - Jobs Creation Package Regional	-	(51,874)
ISARP-Sport for Life	(38,414)	-
Jirnani Day Care Centre	(97,009)	-
Night Patrol Regional	(149,824)	(219,180)
Family Safety – LED Pool Lighting	-	(2,220)
Active Remote Communities Sport & Recreation Program	(40,660)	(2,005)
Outstations Municipal & Essential Services	(132,394)	-
Outstations Housing Maintenance	(85,520)	-
NAIDOC Week	(3,643)	(5,664)
Youth Diversion	(21,308)	(21,884)
NT Jobs Package Culture & Support	(30,394)	-
Outstations Converted Jobs Program	(85,133)	-
Imparja Cup	-	(1,725)
CTG – Wurrumiyanga Pool	-	(7,546)
Road Reseal Consultancy Wurrumiyanga	(296)	-
SPG – Bunded Fuel Tanks Milikapiti	-	(2,392)
CIGP – Miscellaneous Repairs to Bores	-	(545)
Roads (R2R)	(60,990)	-
<b>Total Operating Grant Liability</b>	<b>(1,163,907)</b>	<b>(327,000)</b>
<b>TOTAL OPERATIONAL FUNDING</b>	<b>8,903,934</b>	<b>7,165,791</b>
<b><u>NT Capital Funding</u></b>		
SPG - 10 cubic metre tipper truck	166,600	-
CTG – Caterpillar Dozer	-	225,000
<b>NT Capital Funding Total</b>	<b>166,600</b>	<b>225,000</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

	2016	2015
	\$	\$
<b>3. Operating Revenue (Cont.)</b>		
<b>Prior Years Capital Funding</b>		
Night Patrol Regional	139,232	-
<b>Total Prior Years Capital Grant Funding</b>	<b>139,232</b>	<b>-</b>
<b>Capital Grant Liability</b>		
Caterpillar Dozer	(30,194)	-
CTG – Shade Structure Milikapiti Water Park	-	(18,761)
<b>Total Capital Grant Liability</b>	<b>(30,194)</b>	<b>(18,761)</b>
<b>TOTAL CAPITAL FUNDING</b>	<b>275,638</b>	<b>206,239</b>
<b>TOTAL GRANTS</b>	<b>9,179,572</b>	<b>7,372,030</b>
<b>f CONTRIBUTIONS &amp; DONATIONS</b>		
Cash Donations	1,000	3,836
	<b>1,000</b>	<b>3,836</b>
<b>4. Operating Expenses</b>		
<b>a EMPLOYEE COSTS</b>		
Wages and Salaries	5,484,792	5,776,307
Annual Leave and Long Service Leave Movements	1,017,717	1,248,753
Superannuation	604,950	664,456
FBT	64,876	7,315
Workers Compensation	(33,393)	211,341
Relocation/Recruitment	20,839	24,254
Other Employee Related Expenses	1	6,451
<b>TOTAL EMPLOYEE COSTS</b>	<b>7,159,782</b>	<b>7,938,877</b>
<b>b INTEREST CHARGES</b>		
Bank Fees	5,620	6,074
<b>Total Interest Charges</b>	<b>5,620</b>	<b>6,074</b>
<b>c DEPRECIATION &amp; AMORTISATION</b>		
<b>Depreciation</b>		
Buildings Depreciation	1,306,352	1,600,981
Infrastructure	246,719	321,402
Plant and Machinery Depreciation	290,406	291,116
Equipment Depreciation	76,717	101,021
Motor Vehicles Depreciation	226,563	314,268
<b>Total Depreciation</b>	<b>2,146,757</b>	<b>2,628,788</b>

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016**

	<b>2016</b>	<b>2015</b>
<b>4. Operating Expenses (Cont.)</b>	<b>\$</b>	<b>\$</b>
<b>d OTHER OPERATING EXPENSES</b>		
Council Chairman's Allowance	72,192	57,588
Councillor Allowance Expenses	176,400	142,315
Local Authority Allowances	12,184	12,092
Electoral Commission Expenses	-	796
Insurance	371,935	310,524
Other Operating Expenses	-	7,767
<b>Total Other Operating Expenses</b>	<b>632,711</b>	<b>531,082</b>
<b>e MATERIALS &amp; CONTRACTS</b>		
Accounting Fees	72,917	144,981
Provision for Doubtful Debts	(393)	100,529
Communication Expenses	142,200	152,251
Consultants & Legal Expenses	177,207	251,363
Contract Labour	165,153	394,949
Contract Materials	30,894	7,979
Electricity	191,659	169,863
Freight	193,984	269,965
Fuel & Oil Motor Vehicles	414,179	509,316
Gas Expenditure	5,339	7,033
Material Expenditure	952,250	1,986,796
Operating Lease Expenses	246,038	265,675
Software/Internet/Support	321,840	341,678
Travel/Accommodation/Training	156,510	451,601
Other Materials & Contracts	419,459	333,210
<b>Total Materials &amp; Contracts</b>	<b>3,489,236</b>	<b>5,387,189</b>
<b>f LOSS ON DISPOSAL OF ASSETS</b>		
Net (Profit)/ Loss from Disposal of assets	(23,865)	5,575,404
<b>Total (Profit)/Loss from Disposal of assets</b>	<b>(23,865)</b>	<b>5,575,404</b>
<b>5. Cash and Investments</b>		
<b>CASH</b>		
Current Operating Accounts & Cash on Hand	3,101,257	1,072,550
<b>TOTAL CASH</b>	<b>3,101,257</b>	<b>1,072,550</b>
<b>Restricted Cash</b>		
NT Jobs Packages	-	6,898
Bathurst Island Oval Upgrade ABA – Portable Stage	89,392	103,251
Night Patrol Regional	206,232	-
Reseal Wurrumiyanga Roads	748,604	-
Remote Aviation Programs	37,377	-
Foreshore Drain Wurrumiyanga	87,831	-
SPG – 10m3 Tipper	166,600	-
SPG Re-Branding Regional Council	3,934	70,477



**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016**

	2016	2015
	\$	\$
<b>5. Cash and Investments (Cont.)</b>		
Outstations Housing Maintenance	-	44,283
Homelands Extra Allowance	43,529	-
HMP Fencing Program	113,289	316,332
TEABBA - RIBS Upgrade	-	10,000
CTG - Caterpillar Dozer	-	224,478
Local Authorities - Wurrumiyanga	382,117	210,117
Local Authorities - Pirlangimpi	60,174	55,334
Local Authorities – Milikapiti	123,408	69,004
Strengthening Local Authorities Fund	111,489	141,122
Municipal and Essential Services	-	19,916
MESSPG – Paru Water Line & Takapimilyi Causeway	-	29,135
Refurbish Aerodrome Ablution Blocks	82,036	-
MESSPG – Paru Pontoon	31,393	-
MESSPG – Paru Water Tank	43,636	-
MESSPG – Telecommunications Repeaters	45,000	-
MESSPG – Tank Stand Takaprimil	32,506	-
<b>Total Restricted Cash</b>	<b>2,408,547</b>	<b>1,300,347</b>
<b>Total Unrestricted</b>	<b>692,710</b>	<b>(227,797)</b>
<b>Total Cash Available</b>	<b>3,101,257</b>	<b>1,072,550</b>
<b>6. Current Assets - Receivables</b>		
Rates & Annual Charges	274,547	293,766
GST Receivables	52,264	-
Accrued Income	2,552	1,953
Other Receivables	225,831	208,238
Less Provision for Doubtful Debts	(258,034)	(258,034)
<b>TOTAL RECEIVABLES</b>	<b>297,160</b>	<b>245,923</b>
<b>a Trade receivables and allowance for doubtful debts</b>		
Trade receivables are non-interest bearing and are generally on 30 day terms. The ageing of trade receivables at 30 June 2016 is detailed below:		
Not past due	151,417	77,629
Past due 31-60 days	19,958	39,202
Past due 61-90 days	1,283	66,465
Past due 91 days	382,536	320,661
<b>Total Gross Trade Receivables</b>	<b>555,194</b>	<b>503,957</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

	2016	2015
	\$	\$
<b>6. Current Assets – Receivables (Cont.)</b>		
<b>b Impaired receivables</b>		
As at 30 June 2016, receivables with a nominal value of \$258,034 were impaired (2015: \$258,034). Receivables are assessed for impairment by ascertaining the recoverability of the amounts, and are provided for when there is objective evidence indicating that the debt may not be fully recoverable to the Council. The ageing of the impaired receivables are as follows:		
Not past due	-	-
Past due 31-60 days	-	9,040
Past due 61-90 days	-	4,849
Past due 91 days	258,034	244,145
<b>Total Impaired Receivables</b>	<b>258,034</b>	<b>258,034</b>
Movements in the provision for impairment are as follows		
Balance at beginning of year	(258,034)	(304,755)
Amounts written off during the year	-	97,086
Provision for impairment recognised during the year	-	(50,365)
Reversal of provision for impairment	-	-
<b>Balance at end of year</b>	<b>(258,034)</b>	<b>(258,034)</b>
As at 30 June 2016, current receivables of the Council with a nominal value of \$145,742 (2015: \$168,294) were past due but not impaired. These relate to a number of customers for whom there is no history of default. The ageing of these receivables are as follows:		
Past due 31-60 days	19,957	30,162
Past due 61-90 days	1,283	61,616
Past due 91 days	124,502	76,516
<b>Total Receivables</b>	<b>145,742</b>	<b>168,294</b>
<b>7 Other Assets</b>		
Inventories:		
Fuel Stock	24,102	30,374
Stores and Material	321,556	278,801
<b>TOTAL OTHER ASSETS</b>	<b>345,658</b>	<b>309,175</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

	2016	2015
	\$	\$
<b>8. Property Plant &amp; Equipment</b>		
<b>a Gross carrying amount and accumulated depreciation</b>		
<b>Prescribed Buildings - at revaluation</b>	25,512,578	25,512,579
Less: Accumulated Depreciation and Impairment	(7,647,700)	(6,341,348)
<b>Total</b>	<b>17,864,878</b>	<b>19,171,231</b>
<b>Plant and Machinery - at cost</b>	3,030,418	2,986,825
Less: Accumulated Depreciation and Impairment	(1,777,975)	(1,630,217)
<b>Total</b>	<b>1,252,443</b>	<b>1,356,608</b>
<b>Equipment - at cost</b>	483,150	401,959
Less: Accumulated Depreciation and Impairment	(299,455)	(222,738)
<b>Total</b>	<b>183,695</b>	<b>179,221</b>
<b>Motor Vehicles - at cost</b>	1,434,645	1,357,315
Less: Accumulated Depreciation and Impairment	(1,083,572)	(994,047)
<b>Total</b>	<b>351,073</b>	<b>363,268</b>
<b>Prescribed Infrastructure - at revaluation</b>	4,307,676	4,300,489
Less: Accumulated Depreciation and Impairment	(1,402,728)	(1,156,009)
<b>Total</b>	<b>2,904,948</b>	<b>3,144,480</b>
<b>Work in Progress</b>	107,920	222,202
<b>Total</b>	<b>107,920</b>	<b>222,202</b>
<b>Total Property, Plant and Equipment</b>	<b>22,664,957</b>	<b>24,437,010</b>
<b>b Movements in carrying amounts</b>		
<b>Buildings</b>		
Buildings - at Written Down Value	19,171,231	25,051,160
Plus: Revaluation	-	-
Plus: Acquisitions	-	-
Less: Sold/Written Off	-	(4,278,948)
Less: Depreciation	(1,306,353)	(1,600,981)
<b>Total</b>	<b>17,864,878</b>	<b>19,171,231</b>
<b>Plant and Machinery</b>		
Plant and Machinery - at Written Down Value	1,356,608	1,702,338
Plus: Acquisitions	254,189	20,490
Less: Sold/Written Off	(67,948)	(75,104)
Less: Depreciation	(290,406)	(291,116)
<b>Total</b>	<b>1,252,443</b>	<b>1,356,608</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

	2016	2015
	\$	\$
<b>8. Property Plant &amp; Equipment (Cont.)</b>		
<b>Equipment</b>		
Equipment - at Written Down Value	179,221	404,437
Plus: Acquisitions	81,191	17,460
Less: Sold/Written Off	-	(141,655)
Less: Depreciation	(76,717)	(101,021)
<b>Total</b>	<b>183,695</b>	<b>179,221</b>
<b>Motor Vehicles</b>		
Motor Vehicles at Written Down Value	363,268	785,350
Plus: Acquisitions	239,124	47,419
Less: Sold/Written Off	(24,756)	(155,233)
Less: Depreciation	(226,563)	(314,268)
<b>Total</b>	<b>351,073</b>	<b>363,268</b>
<b>Prescribed Infrastructure</b>		
Infrastructure - at Written Down Value	3,144,480	4,652,192
Plus: Acquisitions	7,186	-
Less: Sold/Written Off	-	(1,186,310)
Less: Depreciation	(246,718)	(321,402)
<b>Total</b>	<b>2,904,948</b>	<b>3,144,480</b>
<b>Work in Progress</b>		
Opening Balance	222,202	46,449
Disposals	-	-
Additions	467,409	261,121
Capitalisation	(581,691)	(85,368)
<b>Total</b>	<b>107,920</b>	<b>222,202</b>
<b>TOTAL - All Non-Current Assets</b>	<b>22,664,957</b>	<b>24,437,010</b>
<b>9. Creditors, Provisions &amp; Borrowings</b>		
<b>a Creditors</b>		
Goods & Services	1,228,532	657,975
Employee Related	101,559	47,861
GST Payable	140,298	-
Credit Cards Payable	(4,734)	77
Other Creditors	-	13,081
<b>Total Accounts Payable</b>	<b>1,465,655</b>	<b>718,994</b>
<b>b Other Liabilities</b>	22,729	22,730
Unexpended Grant Liability	1,118,635	954,161
	<b>1,141,364</b>	976,891
<b>TOTAL CREDITORS AND OTHER LIABILITIES</b>	<b>2,607,019</b>	<b>1,695,885</b>

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

	2016	2015
	\$	\$
<b>9. Creditors, Provisions &amp; Borrowings (Cont.)</b>		
<b>c <u>Provision - Current</u></b>		
Annual Leave	727,204	840,545
Current Long Service Leave	172,722	278,071
<b>Total Current Provisions</b>	<b>899,926</b>	<b>1,118,616</b>
<b>d <u>Provisions - Non Current</u></b>		
Long Service Leave	222,356	262,277
<b>Total Non-Current Provisions</b>	<b>222,356</b>	<b>262,277</b>
<b>TOTAL PROVISIONS</b>	<b>1,122,282</b>	<b>1,380,893</b>
<b>e <u>Borrowings (Unsecured)</u></b>		
Non Current Borrowings	666,667	666,667
<b>TOTAL BORROWINGS</b>	<b>666,667</b>	<b>666,667</b>
<b>TOTAL CREDITORS, PROVISIONS &amp; BORROWINGS</b>	<b>4,395,968</b>	<b>3,743,445</b>
<b>10. Statement of Cash Flows</b>		
<b>a Reconciliation of Cash</b>		
Cash on hand and at Bank	157,019	76,689
Cash Management Account	2,944,238	995,861
Balances as per Statement of Cash Flow	<b>3,101,257</b>	<b>1,072,550</b>
<b>b Reconciliation of Change in Net Assets to Cash from Operating Activities</b>		
Change in net assets after operations	(308,149)	(10,879,274)
<b>Add:</b>		
Depreciation and Amortisation	2,146,757	2,628,788
Decrease in Stock	-	542,606
Decrease in Trade & Other Receivables	-	377,144
Decrease in Prepayments	-	30,795
Increase in Provisions	-	22,189
Increase in Trade Creditors	746,660	
Increase in Other Current Liabilities	164,474	297,431
Loss on sale of Fixed Assets	-	5,574,406
	2,749,742	(1,404,915)
<b>Less:</b>		
Decrease in Trade Creditors	-	173,975
Decrease in Provision	258,613	-
Increase in Trade and Other Receivables	51,237	-
Increase in Stock	36,482	-
Profit on Sale of Fixed Assets	23,865	-
	370,197	173,975
<b>Net Cash generated from/(used in) operating activities</b>	<b>2,379,545</b>	<b>(1,578,890)</b>

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016**

	2016	2015
	\$	\$
<b>11 Operating Leases</b>		
Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows:		
Not later than one year	256,998	256,998
Later than one year and not later than 5 years	846,219	848,665
Later than 5 years	2,448,226	2,658,303
	2,448,226	2,658,303
 <b>12 Commitments for Expenditure</b>		
The Council has entered into contracts for future capital expenditure which are not provided in the financial statements. These commitments are for motor vehicles as follows:		
Not later than one year	-	166,303
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	-	-
 <b>13 Conditions Over Grants &amp; Contributions</b>		
Grant and Contributions that were obtained on the condition that they be expended on specific purposes or in a future period but which are not yet expended in accordance with those conditions, are as follows:		
<b>Grant Liability from 10/11 Funding Year</b>		
CIGP – Miscellaneous Repairs to Bores	545	545
<b>10/11 Grant Liability Total</b>	545	545
 <b>Grant Liability from 11/12 Funding Year</b>		
Community Fitness	1,249	1,249
Cape Forcroy Road	46,240	46,240
CTG – Shade Structure at Milikapiti Water Park	-	18,761
<b>11/12 Grant Liability Total</b>	47,489	66,250
 <b>Grant Liability from 12/13 Funding Year</b>		
Child Care Pirlangimpi	95	95
LED Pool Lights Shire	-	2,220
Art JCP	11,077	11,077
SPG – Bunded Fuel Tanks Milikapiti	2,392	2,392
<b>12/13 Grant Liability Total</b>	13,564	15,784

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016

	2016	2015
	\$	\$
<b>13 Conditions Over Grants &amp; Contributions (Cont.)</b>		
<b>Grant Liability from 13/14 Funding Year</b>		
OSHC Wurrumiyanga	-	98,843
OSHC Pirlangimpi	-	72,111
OSHC Milikapiti	-	88,716
Child Care Wurrumiyanga	-	54,599
Child Care Pirlangimpi	-	4,136
Child Care Milikapiti	-	32,114
ISARP – Jobs Creation Package	109,097	109,097
NAIDOC Week	5,664	5,664
Active Remote Communities	30,653	30,653
Active Remote Communities – Variation Money	2,005	2,005
Install Cricket Pitch	201	201
CTG – Wurrumiyanga Pool	-	7,546
NT Jobs Package	-	59,269
<b>13/14 Grant Liability Total</b>	147,620	564,954
<b>Grant Liability from 14/15 Funding Year</b>		
OSHC Milikapiti	-	10,842
ISARP – Jobs Creation Package	51,874	51,874
Regional Night Patrol	12,949	219,180
Child Care Milikapiti	-	1,123
Child Care Jirnan	2,978	-
Youth Diversion Unit	21,884	21,884
Active Remote Communities – BNT Women's Basketball	1,725	1,725
<b>14/15 Grant Liability Total</b>	91,410	306,628
<b>Grant Liability from 15/16 Funding Year</b>		
OSHC Wurrumiyanga	48,184	-
OSHC Pirlangimpi	32,892	-
OSHC Milikapiti	11,853	-
Child Care Wurrumiyanga	5,000	-
Child Care Pirlangimpi	5,000	-
ISARP - Sport for Life	38,414	-
NAIDOC Week	3,643	-
NT Jobs Package Culture & Support	30,394	-
Pirlangimpi School Meals Program	27,457	-
Child Care Milikapiti	8,851	-
Roads (R2R) – Paru to 3 Ways	60,990	-
Road Reseal Consultancy Wurrumiyanga	296	-
Youth Diversion Unit	21,308	-
Remote Sport Program	40,660	-
Caterpillar Dozer	30,194	-
Outstations Housing Maintenance	85,520	-
Outstations Municipal & Essential Services	132,394	-
NT Jobs Package (Converted Jobs)	85,133	-
Regional Night Patrol	149,824	-
<b>15/16 Grant Liability Total</b>	818,007	-
<b>Total Grant Liability</b>	1,118,635	954,161

## TIWI ISLANDS REGIONAL COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2016

#### 14. Financial Risk Management

The main risks the Council is exposed to through its financial instruments are liquidity risk, credit risk, market risk and interest rate risk.

##### *Liquidity Risk*

Liquidity risk is the risk that the council will not be able to meet its obligations as and when they fall due. The Council manages its liquidity risk by monitoring cash flows and also through its budget management process. Due to the nature of its business, the Council is able to estimate its income and cash flows based on grant funding timeframes.

##### *Credit Risk*

Credit risk is the risk of financial loss to the Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Exposure to credit risk is monitored by management on an ongoing basis. The maximum exposure to credit risk, excluding the value of any collateral or other security, is limited to the total carrying value of financial assets, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Council does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Council.

The majority of the Council's debtors are government owned and funded entities and credit risk for the Council is low.

##### *Market Risk*

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Council's income or the value of its holdings of financial instruments. Exposure to market risk is closely monitored by the Council. The Council does not have any material market risk.

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Council manages its interest rate risk by maintaining floating rate cash and floating rate debt.

##### *Sensitivity analysis*

At balance date, the Council had the following financial assets exposed to variable interest rate risk:

	2016	2015
	\$	\$
<b>Financial Assets</b>		
Cash at bank	3,101,257	1,072,550
Investment	-	-
	<u>3,101,257</u>	<u>1,072,550</u>



**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016**

**14. Financial Risk Management (Cont.)**

At balance sheet date the Council has not entered into any loans or other financial commitments that present exposure to interest rate risk. Credit cards are the only short term financial instrument used by the Council and balances are cleared at month end. The table below details the interest rate sensitivity analysis of the Council at balance date, holding all other variables constant. A 100 basis point change is deemed to be possible change and is used when reporting interest rate risk.

	<b>Change in Variable</b>	<b>Effect on Profit or Loss 2016 \$</b>	<b>Effect on Equity 2016 \$</b>	<b>Effect on Profit or Loss 2015 \$</b>	<b>Effect on Equity 2015 \$</b>
<b>Financial Assets</b>					
Cash at bank and Investments	1%	31,012	31,012	10,725	10,725
	(1)%	(31,012)	(31,012)	(10,725)	(10,725)

**14b. Net fair values of financial assets and liabilities**

**Cash and cash Equivalents:** The carrying amounts of cash and cash equivalents approximates their fair value due to its short term to maturity nature.

**Loans and receivables and Trade and other payables:** Their carrying amounts approximate their fair value due to its short term to maturity nature.

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016**

**14c. Financial Instruments Composition and Maturity Analysis**

The table below reflects the undiscounted contractual settlement terms for the financial instruments of a fixed period of maturity, as well as management's expectation of the settlement period for the all financial instruments.

Financial Instruments	Within 1 year		1 - 5 years maturing in 1 year or less		Over 5 years maturing in 1 to 5 years		Total Carrying amount	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets - cash flows realisable</b>								
Cash on Hand	3,101,257	1,072,550	-	-	-	-	3,101,257	1,072,550
Trade and other receivables	297,160	245,923	-	-	-	-	297,160	245,923
<b>Total</b>	<b>3,398,417</b>	<b>1,318,473</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,398,417</b>	<b>1,318,473</b>
<b>Financial Liabilities due for payment</b>								
Trade and other payables	1,465,655	718,994	-	-	-	-	1,465,655	718,994
Borrowings	-	-	666,667	666,667	-	-	666,667	666,667
Other Current Liabilities	22,729	22,729	-	-	-	-	22,729	22,729
Unexpended Grant Liability	1,118,635	954,162	-	-	-	-	1,118,635	954,162
<b>Total</b>	<b>2,607,019</b>	<b>1,695,885</b>	<b>666,667</b>	<b>666,667</b>	<b>-</b>	<b>-</b>	<b>3,273,686</b>	<b>2,362,552</b>

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016**

**15. Fair Value Measurement**

In accordance with AASB 13, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant standards, are categorised into 3 levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable data).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

**(a) Financial Assets and Liabilities**

The Council has no financial assets and liabilities measured at fair value as at 30 June 2016.

**(b) Non-Financial Assets**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>30 June 2016</b>				
Buildings & Infrastructure			\$20,769,826	\$20,769,826
<hr/>				
<b>30 June 2015</b>				
Buildings & Infrastructure			\$22,315,711	\$22,315,711
<hr/>				

*Buildings and infrastructure*

The fair values of the Buildings and Infrastructure are estimated using a market approach which uses prices and other market data derived from observed transactions for the same or similar assets. Assets used by not for profit and public sector entities, which also have a commercial use, are likely to be valued based on observable market values considering the highest and best use requirements of AASB 13. The buildings and infrastructure used for a public service or as an administration building by a government agency in close proximity to other offices used for commercial purposes would be competing with commercial users for that office space within the market. As a result these properties' fair value could be determined based on sales of comparable buildings.

There were no changes during the period in the valuation techniques used by the Council to determine Level 2 fair values.

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016**

**16. Reserves**

The Council in its meeting held on 27 May 2015 decided to transfer the unspent balance of the budget allocation for election expenses at 30 June each year from accumulated funds to the election reserve and use that amount of money to fund future Council general elections and by-elections at the direction of the CEO.

At the same meeting the Council decided to transfer an initial amount of \$25,000 from the recent sale of surplus Council vehicles from accumulated funds to the asset replacement reserve and to use that amount to fund future Council motor vehicle and major plant / equipment purchases as directed by the CEO. Future proceeds from the sale or auction of Council motor vehicles / plant / equipment are to be credited to the asset replacement reserve as directed by the CEO.

	1 July 15	Transfer to Reserve	Transfer from Reserve	30 June 16
	\$	\$	\$	\$
<b>Other Reserves</b>				
Election Reserve	10,000	10,000	-	20,000
Asset Replacement Reserve	25,000	116,571	-	141,571
<b>Total Other Reserves</b>	<u>35,000</u>	<u>126,571</u>	-	<u>161,571</u>

**17. Related party transactions**

**a Responsible Persons**

Names of persons holding the position of a Responsible Person at the Council during or since the end of the financial year are:

**Councillors**

Lynette De Santis  
 Pirrawayingi Puruntatameri  
 Therese Bourke  
 Crystal Johnson Kerinaiaua (ceased 27/1/16)  
 Anita Moreen  
 John Naden  
 Venard Pilakui  
 Barry Puruntatameri  
 Manyi Rioli  
 Gawin Tipiloura  
 Rose Tipiloura  
 Stanley Tipiloura (appointed 27/4/16)  
 Leslie Tungatalum

**Chief Executive Officer**

Garry Lambert (appointed 25/3/15, ceased 18/10/15)  
 Marion Scrymgour (appointed 19/10/15)

**Official Manager**

Allan McGill (appointed 17/2/15, ceased 14/9/15)

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016**

**17. Related party transactions (Cont.)**

**b Remuneration of Responsible Persons**

The aggregate compensation made to responsible persons and other members of key management personnel in the financial year is set out below:

	<b>2016</b>	<b>2015</b>
	\$	\$
Short term employee benefits	506,887	466,595

**c** No retirement benefits have been made by the Council to a Responsible Person.

**d** No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year 2015/16.

**e** No transactions other than remuneration payment or reimbursement of approved expenses were entered into by the Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year 2015/16.

**f Investment in Councilbiz**

CouncilBiz was incorporated as a Local Government subsidiary on 10 June 2008 and commenced operations on 1 July 2008 providing administrative, ICT and Business Systems support to the 8 member Councils. It is a Local Government subsidiary, created as part of the Northern Territory Local Government Reform Agenda, under the Local Government ACT 2008 and Regulations.

Upon the incorporation of CouncilBiz, the Council made an initial funding contribution of \$50,000. Under the terms and conditions of CouncilBiz's Constitution, the debts and liabilities of CouncilBiz are guaranteed by the members in equal shares or on the basis of the formula agreed by the members. Upon the dissolution of CouncilBiz, the amount that remains after such dissolution and the settlement of all debts and liabilities shall be transferred to another organisation with a similar purpose as agreed to by the members with similar rules to CouncilBiz, such as prohibiting the distribution of assets and income to its members. As the Council will not realise any returns from its \$50,000 funding contribution to CouncilBiz, this amount was expensed when it was incurred.

**18. Contingent Assets and Contingent Liabilities**

Contingent Liabilities

Under the terms and conditions of the Constitution of CouncilBiz, the Council and other members have guaranteed the debts and liabilities of CouncilBiz. As at 30 June 2016, the amount of the obligation cannot be measured with sufficient reliability, and has not been recognised in the accounts.

As at 30 June 2016, the Council has a security deposit guarantee in favour of Gulf Transport Co. Pty Ltd amounting to \$8,613.

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>19. Auditor's Remuneration</b>		
Amounts received or due and receivable by the auditors of Tiwi Islands Regional Council		
- Audit or Review Services	67,000	60,300
- Other Services	-	-
<b>Total Remuneration</b>	67,000	60,300

**TIWI ISLANDS REGIONAL COUNCIL**

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2016**

**20. Events after the reporting period**

At the date of this report, no matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.